GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3173
ANSWERED ON:12.05.2006
SETTING UP OF POWER PLANTS IN COAL MINING AREAS
Kaushal Shri Raghuvir Singh

Will the Minister of POWER be pleased to state:

(a) whether the Government has any proposal to make such scheme under which States could establish their power houses right in the coalfields instead of transporting coal-stock to the power-generating units and thereby facilitating the concerned State with the produced quantum of power;

(b) if so, the details thereof;

(c) whether the Government has made any assessment in this regard;

(d) if so, the details thereof;

(e) whether the Government also proposes to conduct any research-work for reducing the production-cost of power; and

(f) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : It is stipulated in the National Electricity Policy that for thermal power generation, economics of generation and supply of electricity should be the basis for choice of fuel from among the options available and that it would be economical for new generating stations to be located either near the fuel sources e.g. pithead locations or load centres.

Many State Electricity Boards/State Power Generation Companies and NTPC have already set up coal based power plants near the coalfields considering various techno-economic advantages.

(c) & (d) : Yes, Sir. Central Electricity Authority had awarded a study to Central Mine Planning & Design Institute (CMPDI) for identification of large sites for setting up of thermal power projects near coalfields. CMPDI has completed the study and suggested many such sites near coalfields having a total potential of about 36,000 MW.

(e) & (f) : Following steps have been taken for reducing cost of power generation:-
(i) Introducing competition in the procurement of power by distribution licensees as provided in the tariff policy. The central government has already issued detailed guidelines for procurement of power through tariff based competitive bidding in January, 2005.

(ii) By developing large sized power projects to take advantage of economy of scale such as proposed ultra mega power projects.

(iii) By extending fiscal benefits like exempting customs duty and deemed exports benefits as provided in mega policy.

(iv) Adoption of advanced technologies like super critical technology.

(v) Improving the Plant Load Factor (PLF) of existing thermal power stations in the country which are running at low PLF, to the level of National Average under `Partnership in Excellence` (PIE) Programme.